

ARIZONA DEPARTMENT OF REAL ESTATE (ADRE)
EDUCATION ADVISORY COMMITTEE
MINUTES

December 14, 2010

The Education Advisory Committee (EAC) met on Tuesday, December 14, 2010 at the Arizona Department of Real Estate (ADRE), 2910 N. 44th Street, First Floor Conference Room, Phoenix, Arizona.

I. CALL TO ORDER

Commissioner Lowe called the meeting to order at 10:00 a.m.

Members present: John Crosby, Holly Eslinger, Lin Ferrara, Tom Heath, Jon Kichen, John Lotardo, and Jim Marian.

Attending via phone: Jim Hogan

Unable to Attend: Bob Bass

ADRE representative present: Commissioner Judy Lowe, Assistant Commissioner-Operations Mary Utley, Education Manager Carla Randolph, Education Administrative Assistant II Jeremy Sotomayor, Legislative Liaison Gretchen Conger.

Public: Pat Holt, Karen Bohler

II. MINUTES

Upon a motion by Jim Hogan; seconded by Lin Ferrara, the minutes of September 14, 2010 meeting were unanimously approved.

III. Update on New Pre-licensure Testing Vendor

Commissioner Lowe provided an over view on the selection of the pre-licensure testing vendor and the process of vetting the examination questions. She reported that in January 2011, based on the curriculum outlines and changes, ADRE would begin testing according to the new outlines. The question bank will be modified to adjust. She also provided overall exam statistics on the pass/fail for the past month. Discussion occurred, that if this was similar to what was occurring with the past vendor.

Discussion occurred on the Subject Matter Experts (SME) and what they had brought to the table. The SMEs bring forth what they see in the "trenches" and apply that knowledge to the question development. Jim Hogan requested that Commissioner Lowe be more specific on the feedback from the SMEs as to what the new hires are deficient in. Commissioner Lowe responded that as an example it is Property Management. He requested that feedback be provided to the educators. Manager Randolph reported that the SME feedback was reported verbally to the Commissioner. She suggested surveying all Designated Brokers which would be a venue to obtain accurate information as to what those deficiencies might be.

Manager Randolph reported that the SMEs had meetings over the past few months and reviewed more examination questions. Discussion occurred regarding the questions uniqueness and the new instructor outlines (both old and new) which are posted on the ADRE website. In January, only the new outlines will be posted.

Commissioner Lowe reported on Industry Day with Pearson VUE which is scheduled for February 1, 2011 from 9 am to 11 am at the ADRE and, is open to all pre licensure schools and educators. The Pearson VUE Handbook is online and the print form will be available in early January 2011.

Discussion ensued regarding the usage of the Candidate Handbook. Schools receive the printed version directly from Pearson VUE. Department forms are currently being modified; three have already been modified. They are the Disciplinary Actions Disclosure Form (formerly Licensure Questionnaire); if there are any "yes" answers, applicant must also complete the Disciplinary Actions Disclosure Checklist and provide the necessary documentation. At this time, the ADRE does not require a Fingerprint Clearance Card (FCC) at renewal unless there is a criminal conviction disclosure. If there is a disclosure, the FCC must be provided within 60 days. She reported that the ADRE will be reviewing additional forms as to possible modifications.

IV. New Course Application

Manager Randolph provided the members with the new Course Application. (See attached) She reported that the most significant change has to do with Distance Learning; guidelines; and, provided an overview. Discussion occurred regarding Substantive Policy Statement **No.2010.02** Short Title: **Distance Learning Guidelines** and the course time requirements. She reported on Handout 4C: Instructions, Courses be State specific and some items were combined with Live-Classroom and Distance Learning. More discussion occurred on the state specific items; audio-visual courses; suggestions were provided and it was requested that review occur on how "Distance Learning" is being defined. Further discussion occurred and Jim Hogan requested that he be included in future meetings regarding this matter.

Manager Randolph gave additional information on the Addendums; itemizing the various sections; and the Substantive Policy Statement. There have been two applications with these new changes thus far. Manager Randolph stated that the Department will be verifying distance learning courses through audit to ensure compliance of the 50 minute rule.

Commissioner Lowe stated that the Education Division and the IT Division are working very closely as a result of these changes.

V. Real Estate School Audit Declaration

The recommendation as to the Real Estate School Audit Declaration was provided by the Continuing Education (CE) Subcommittee. Manager Randolph reviewed the Real Estate School Audit Declaration with the committee; it is due between December 15, 2010 and January 31, 2011. Commissioner Lowe reported that she had received very positive feedback. She responded as to when "substantial" is used and definition of substantial. Examples were provided as to what constitutes substantial. Each situation will be reviewed individually. As to the schools, the Administrators will enforce compliance in reference to the changes.

VI. Volunteer Monitor Program

Commissioner Lowe reported that the Department has not hired a Volunteer Monitor. Ten courses have been assigned for the month of December to be monitored. Currently the ADRE has a volunteer assisting the ADRE with the Volunteer Monitor Program.

John Crosby requested that an overview be provided as to the ten courses being monitored, upon completion.

VII. Education Division Monthly Report

Manager Randolph provided an overview on the report. (See attached report)

Commissioner Lowe reported that there have been issues regarding the volume of phone calls coming into the ADRE. She recommended that usage of the Department's website be promoted.

VIII. School Administrator's Handbook (Draft) Presentation

Commissioner Lowe reported that the School Administrator's Handbook (draft) had been distributed to the members prior to the EAC meeting. Karen Bohler previously chaired a committee with ADRE that addressed the School Administrator Handbook.

Ms. Bohler discussed the background on how the School Administrator Handbook (2005/2006) came to be; and, how Frequently Asked Questions (FAQ) were placed on the Department website. At the time, the ADRE decided that the FAQs would be sufficient to facilitate compliance. The committee decided instead to create a comprehensive document; which school administrators would sign receipt, and notarized statement that he/she has read and understood the document. The School Administrator Handbook was reviewed by the EAC in 2008. In November 2008, it was decided that an online version of the Handbook book be created. The Handbook was shelved in November 2008.

Ms Bohler stated that the EAC had created an Education Rules Packet and adopted it in September 2007; and, the packet was set to go to Governor's Regulatory Review Council. The Handbook was developed as a result of Rules packet. Due to a variety of factors, nothing else happened. Ms. Bohler stated that a viable alternative to the Handbook would be an online menu driven index as to Department's laws, rules and policies. Links would be developed to the regulations (rules, statutes, policies or advisories) that pertain to each subject. It would be a series of pages that would reference the statutes. .

Advantages of the menu driven index are that it "chunks" information (not as overwhelming); consequently better opportunity for schools to use it; also, handy tool to train Department employees. She discussed challenges when using FAQs.

Other considerations/limitations were: menu-driven index would include only existing regulatory requirements; a new idea could not be included in this index unless there is existing substantive policy, form, rule or statutes to support it, which could require the EAC would become policy drafters; rule drafters. Role of the EAC becomes more definitive; there would be an exchange of ideas; ideas are memorialized and are presented to ADRE. Revisions are reviewed and discussion would occur at the EAC meeting; upon approval of the new policy, it would be added to the menu.

Commissioner Lowe requested that EAC members review the Handbook and the menu-driven idea. She stressed that the Handbook is very important and ADRE would want to receive

feedback from the EAC. She wanted to know alternatives that could happen "right now", and what can be done to educate. Discussion ensued regarding possible challenges, opportunities, etc., on this matter. Positive feedback was received regarding the menu-driven process.

Feedback: A modified Handbook is a good idea; could be online version only; incorporate ideas; update the links; revisions (done annually). EAC members suggested that a small group work on the handbook and the menu-driven process.

IX. Upcoming-Commissioner Lowe

Commissioner Lowe provided an overview on considerations referencing Instructor qualifications and the expanded criteria. The revised application will follow the statutory authority and existing rule.

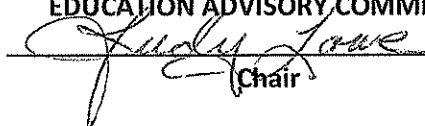
The balance of the agenda was tabled due to lack of a quorum until the next EAC meeting.

XIV. Adjournment

Meeting was adjourned at 12:25 p.m.

DATED THIS 1 DAY OF FEBRUARY, 2011
EDUCATION ADVISORY COMMITTEE

BY:


Chair